GOVERNMENT EXHIBIT 735 05 Cr. 621 (RJS) (ID)

From: Remis, Jay (Exchange) [JRemis@bear.com]
Sent: Thursday, July 29, 2004 10:22 AM
To: Pinedo, Anna T.
Subject: FW: Amerindo Q&A - For hand-out to M&C 7/30/04

Attachments: Disclaimer.txt

Disclaimer.txt (794 B)

-----Original Message-----
From: Marin, Rich (Exchange)
Sent: Thursday, July 29, 2004 12:56 AM
To: Remis, Jay (Exchange); Godin, Larry Confidential Memo-Counsel (Exchange)
Cc: Solender, Michael - Confidential Memo-Counsel (Exchange); Spector, Warren (Exchange)
Subject: Amerindo Q&A - For hand-out to M&C 7/30/04

Amerindo Follow-up Q&A

July 29, 2004

Today we had a conference call with Alberto Vilar and his compliance officer (Dana). Attending were Solender, Godin, Remis, Pinedo from MoFo and Marin.

Panama

- Morton Financial is a Panamanian financial institution formed specifically to purchase the offshore Amerindo fund for $17.5MM.
- Morton Financial was formed by Fernando Berguido, a partner in a small Panamanian law firm Castro & Berguido. He is a graduate of Vanderbilt and USC law school, where he was a 1988 Fulbright Scholar. He formed the operation for undisclosed Panamanian clients.
- Amerindo sold the fund due to increased interest in the US and European investor markets and declining interest in the offshore market.
- Vilar does not know who the owners of Morton are, but offered to connect us with Berguido.
- The Amerindo offshore fund was originally priced at 1% + 15% performance fee, but was changed in 1984/1985 to a 2% flat fee.
- To Vilar's knowledge, the owners of Morton are not, nor have they been, fund investors.
- The list of clients of the offshore fund provided to us is the same as given to the SEC in 2003 and represents all prior and existing investors from 1998 to 2003. None are specifically known to Vilar.
- As to why the funds dropped from $700MM to the current level of $10MM, Vilar attributes this to the 80% drop in the tech markets in 2000-2002 combined with a lack of marketing by Morton Financial. His best assessment of why Morton allowed this to happen is that the tech bust discouraged the owners and they were indeed less asset gatherers by nature than deal opportunists who made more than their purchase price in the first two years.

IPO Allocations

- When asked about the total realized profits from IPO allocations, Vilar said that they have the records to calculate such a figure, but that it would take considerable time and effort to do so. He noted that about half of the IPO's were non-tech and would therefore have been sold immediately. The rest of the tech names were either held if they were "core" holdings or tactically sold based on market reaction to the IPO.
- Vilar reiterated that it was Amerindo policy that no employee (including him and Tanaka) could get IPO allocations of any kind either from company allocations or pre-emptive rights from PE holdings.

Private Equity Holdings

- Vilar explained that from 1997-2001 they acted as arranger on less than 5% of the PE deals invested in by Amerindo. These arranged deals were ones where they (rather than a VC firm) put together the term sheet and thereby received higher than normal allocations and pre-rata entitlements to IPO shares (if and when an IPO came). These are the transactions where employees (including Vilar and Tanaka) were allowed to invest in the excess allocations after the 5 cross-over clients' accounts were proportionately filled with their allocation. This employee co-invest program only began in 1997 and no such co-investing occurred before then. None of these deals came public and therefore there were no IPO allocations associated with them.
- Of the PE holdings of the firm, only 4 did indeed go public (Cancervac, Itech, LoudCloud and Tellium). Vilar and Tanaka were not invested in any of these transactions.
- The firm's compliance officer noted that the firm's ADV, which is sent to both regulators and all clients did disclose that the principals and employees did hold some private equity holdings that overlapped with the client investments.
- Vilar stated that neither he nor Tanaka (to the best of his knowledge) were invested in any private equity holdings that did or could have benefited from any follow-on private investments or post-IPO purchases for clients.

Personal Financial Issues

- Vilar's explanation for Tanaka's non-disclosure of his financial affairs was that he is an offshore resident who operates in cash, is a non-borrower and simply does not have a balance sheet nor has he ever needed to produce one. He is heavily invested in race horses, property and private equity.
- Neither Vilar nor Tanaka own public securities or maintain material brokerage accounts.
- Neither Vilar nor Tanaka own conflicted (vis-à-vis Amerindo clients) private equity holdings.

Consultants

- While Amerindo occasionally receives an RFP request, Vilar feels that they have largely been off the screen of the consultant community since the tech bust. They have made no effort to get back on the screen and indicate that this is the reason for the affiliation with BSAM.
- Our inquiries with Cambridge Associates and several other consultants indicate that they are aware of Amerindo, but stopped tracking them somewhere between 1997 and 2001. Indeed, Cambridge stated that they thought their asset levels had not recovered from their low of $700MM, but that if they did so they would be happy to begin reviewing the firm again.

Track Record

- While this was not discussed in the conference, all data for the prior 10 years for all vehicles plus all dispersion statistics were disseminated to all M&C members.

All meeting participants were able to ask any follow up questions they desired and after about an hour the conference ended with no further questions. Vilar reiterated his availability and willingness to answer any more questions that might arise.